


FY15 GAAP ADVANCED ONLINE TRAINING



STATE OF DELAWARE
GAAP
(GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
ADVANCED ONLINE TRAINING
FISCAL YEAR 2015




GAAP ADVANCED TRAINING OVERVIEW

- **GAAP Manual/GMEN Updates**
 - **New External Auditors – CliftonLarsonAllen, LLP**
 - **Key DoA Contact Information**
 - **GAAP Closing Schedule**
 - **FY14 Audit Findings**
 - **Questions and Concerns**
- 

MEET THE NEW AUDITORS

CliftonLarsonAllen (CLA) is a top 10 accounting firm based in Minneapolis with 90 locations across the US. The office located in Timonium, MD will be primarily responsible for the CAFR and single audits. Staff from both the Harrisburg and Plymouth Meeting, PA offices will assist in completing both audits as well as the internal controls over the financial reporting audit.



Divison of Accounting
Financial Accounting and Reporting Team

Name	Title	Email Address	Phone #
Dawn Haw-Young	Assistant Director of Financial Reporting	Dawn.Haw-Young@state.de.us	672-5516
Jane L. Cole	Manager of Financial Reporting	Jane.Cole@state.de.us	672-5509
Robert C. Johnson	State Accountant V	Robert.Cjohnson@state.de.us	672-5511
Karen Smalls	State Accountant V	Karen.Smalls@state.de.us	672-5505
Christine Talley	State Accountant IV	Christine.Talley@state.de.us	672-5504
Christine Cosgrove	State Accountant IV	Christine.Cosgrove@state.de.us	672-5519
Jennifer Thornton	State Accountant III	Jennifer.Thornton@state.de.us	672-5541

GAAP CLOSING SCHEDULE

GMEN will open for end users on July 13, 2015.

Deadlines for submission:

- July 20, 2015 - Section H – Projects

- Form H-3A - Construction Work in Progress
- Form H-3B – Computer Software in Process

- August 7, 2015

- Form G-3,4 &5 – Compensated Absences (Excel Worksheets) or other comparable forms and all supporting documentation.

- August 14, 2015

- GMEN Closed for Data Entry
- GAAP Checklist

Organization Letter of Representation

- Note: Submission of excel forms and supporting documentation is no longer required (except Compensated Absences) unless requested by DoA or the independent auditors.

UPDATES TO FOLLOWING GAAP/GMEN COMPONENTS

GAAP Manual Changes

Cash and Investments (Section A)

Supplies and Materials (Section D)

Leases (Section F)

Compensated Absences (Section G)

CWIP and CSIP (Sections H)

Activity Summary A-12A (Funds 100 thru 845)

Activity Summary A-12B (Funds 855 thru 890)

GAAP MANUAL CHANGES

- **General Survey Questionnaire – no longer required to be submitted to DoA. Retain for your files.**
- **Excel forms moved to the Appendix in the GAAP Manual. GAAP Manual and Excel Files are located at website below:**

<http://accounting.delaware.gov/manuals.shtml>

Added Email addresses of Supporting Staff

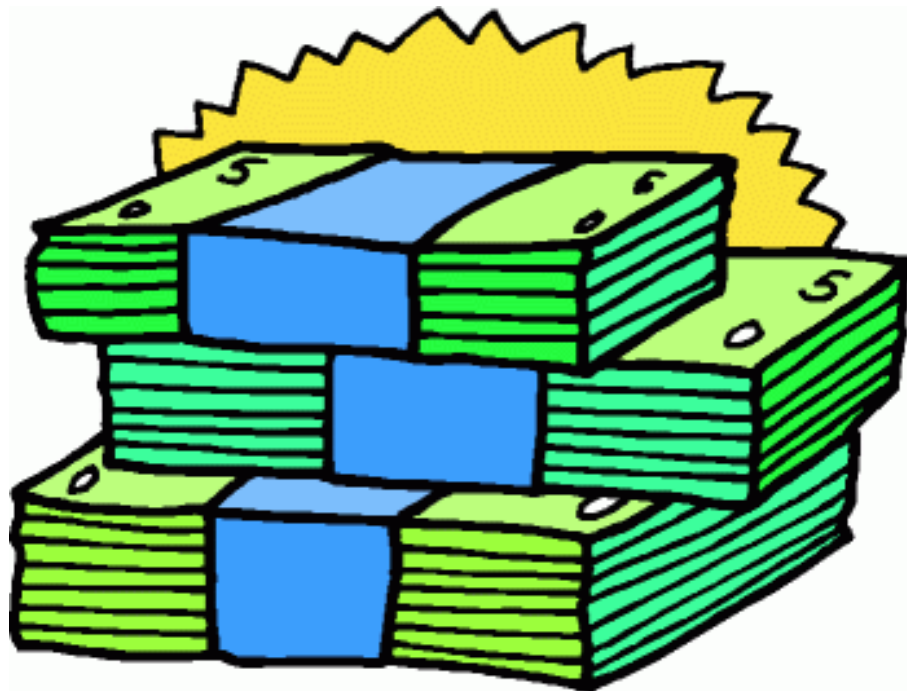
- **Definitions for all sections have been moved to the “Glossary” in the GAAP Manual**

GAAP MANUAL CHANGES (CONTINUED)

- Threshold Changes for variance explanations
 - Accounts Receivable \$100,000 from \$50,000
 - Accounts Payable \$100,000 from \$50,000
 - Materials and Supplies \$100,000 from \$50,000

Section	Amount	Percentage
A - Cash and Cash Equivalents	\$ 50,000	10%
A - Investments	50,000	10%
B - Accounts Receivable	100,000	10%
C - Accounts Payable	100,000	10%
D - Supplies and Materials	100,000	10%
G – Compensated Absences	50,000	10%

CASH AND CASH EQUIVALENTS – SECTION A



ORIGINAL FORM A-3

Book Balance (Form A-3) - Removed the interest income column

CCE Book (A-3) CCE Bank (A-3B) CCE Sum (A-4/4B)

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015
Created By: Johnson,Robert Clifton
Primary Contact: Phone Number:

☐ N/A
☐ Completed

Customize | Find | First 1 of 1 Last

*GAAP Fund #	Account Name	Bank Name	Account #	Purpose of Account	Reconciled Book Balance at 6/30 CY	Interest Income Receivable at 6/30 CY		
							+	-
Totals					0	0		

Save Save and Summarize Cancel

CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

UPDATED FORM A-3

FSF-AT 9.1

Home | MultiChannel Console | Add to Favorites | Sign out

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Cash & Cash Equivalents

New Window | Help | http

CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

Agency: Office Of The Secretary | Department: 250101 | Fiscal Year: 2015

Created By: Johnson,Robert Clifton

Primary Contact: | Phone Number: |

☐ N/A
☐ Completed

Customize | Find | First 1 of 1 Last

*GAAP Fund #	Account Name	Bank Name	Account #	Purpose of Account	Reconciled Book Balance at 6/30 CY		
						+	-

Totals 0

Save | Save and Summarize | Cancel

CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

CASH AND CASH EQUIVALENTS (CONTINUED)

Original Form A-3B

- The following columns have been removed:
 - Insured and/or Collateralized
 - Uninsured and/or NOT Collateralized
- DoA will prepare the classification of Insured and/or Uninsured

CCE Book (A-3) CCE Bank (A-3B) CCE Sum (A-4/4B)

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015
Created By: Johnson,Robert Clifton
Primary Contact: Phone Number:

☐ N/A
☐ Completed

Customize | Find | First 1 of 1 Last

*GAAP Fund #	Bank Name	Account Number	Account Federal EI#	Opened through the Office of the State Treasurer	Bank Balance at 6/30 CY	Insured and/or Collateralized	Uninsured and/or NOT Collateralized	Total of All Cash
				<input type="checkbox"/>				0 + -
Totals					0	0	0	

Save Save and Summarize Cancel

CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

UPDATED FORM A-3B

Favorites Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Cash & Cash Equivalents

CCE Book (A-3)

CCE Bank (A-3B)

CCE Sum (A-4/4B)

Agency: Office Of The Secretary

Department: 250101

Fiscal Year: 2015

Created By: Johnson,Robert Clifton

☐ N/A

☒ Completed

Primary Contact:

Phone Number:

Customize | Find |  First 1 of 1 Last

GAAP Fund #	Bank Name	Account Number	Account Federal El#	Opened through the Office of the State Treasurer	Bank Balance at 6/30 CY	Total of All Cash
890	PNC	123456789	516000279	<input checked="" type="checkbox"/>	8800	0


Totals

8800

Save

Save and Summarize

Cancel

 Return to Search

[CCE Book \(A-3\)](#) | [CCE Bank \(A-3B\)](#) | [CCE Sum \(A-4/4B\)](#)

CASH AND CASH EQUIVALENTS

Original Form A-4/4B

- Removed the Interest Income Receivable at 6/30 CY column
- Removed the Interest Income Receivable at 6/30 PY column

CCE Book (A-3) CCE Bank (A-3B) **CCE Sum (A-4/4B)**

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015
Created By: Johnson,Robert Clifton ☐ Component Completed
Primary Contact: Phone Number:

BOOK | Find | First 1 of 1 Last

GAAP Fund	Reconciled Book Balance at 6/30 CY	Reconciled Book Balance at 6/30 PY	Reconciled Book Balance Difference	Reconciled Book Balance Difference - %	Interest Income Receivable at 6/30 CY	Interest Income Receivable at 6/30 PY	Interest Income Receivable Difference	Interest Income Receivable Difference - %
100	1000	54076	-53076	-98	0	0	0	999999999999999999
Totals	1000	54076			0	0		

Explanation - Book

BANK | Find | First 1 of 1 Last

GAAP Fund	Bank Balance at 6/30 CY	Bank Balance at 6/30 PY	Difference \$	Difference %
100	1000	54076	-53076	-98
Totals	1000	54076		

Explanation - Bank

CASH AND CASH EQUIVALENTS

Form A-4/4B – Updated Form

Disregard. No data entry required.

[Favorites](#) | [Main Menu](#) > [DE Application Components](#) > [Delaware Components](#) > [GAAP Package](#) > [Cash & Investments](#) > [Cash & Cash Equivalents](#)

[CCE Book \(A-3\)](#) | [CCE Bank \(A-3B\)](#) | [CCE Sum \(A-4/4B\)](#)

Agency: Office Of The Secretary **Department:** 250101 **Fiscal Year:** 2015
Created By: Johnson,Robert Clifton ☒ **Component Completed**
Primary Contact: **Phone Number:**

BOOK Find First 1 of 1 Last						
GAAP Fund	Reconciled Book Balance at 6/30 CY	Reconciled Book Balance at 6/30 PY	Reconciled Book Balance Difference	Reconciled Book Balance Difference - %	Interest Income Receivable Difference	Interest Income Receivable Difference - %
890	8000	0	8000	999999999999999999	0	999999999999999999
Totals	8000	0				

Explanation - Book

BANK Find First 1 of 1 Last				
GAAP Fund	Bank Balance at 6/30 CY	Bank Balance at 6/30 PY	Difference \$	Difference %
890	8800	0	8800	999999999999999999
Totals	8800	0		

Explanation - Bank

[Complete](#) | [Return to Search](#)

[CCE Book \(A-3\)](#) | [CCE Bank \(A-3B\)](#) | [CCE Sum \(A-4/4B\)](#)

INVESTMENTS – SECTION A



ORIGINAL FORM A-5

- ▶ Removed the Interest Income column

FSF-PD 9.1

Home | Worklist | MultiChannel Console | Add to Favorites | Sign out

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Investments

New Window | Help | http

Fiscal Year: 2013 ☐ Not Applicable ☒ Completed

.422.1609

umber	Exporter's EIN Number	Purpose of Account	Investment Type	Market Value at 6/30 CY	Interest Income at 6/30 CY	Reconciled Carrying Value at 6/30 CY
218	516000279	INTEREST USED TOWARDS ACTIVITY	Certificates of Deposit	24000		
Totals				24000		

UPDATED FORM A-5- INVESTMENTS

- ▶ Must data enter amount for Market Value
- ▶ Must data enter amount for Reconciled Carrying Value

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Investments

Investments (A-5) | Inv Sum (A-6)

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015 ☐ Not Applicable
Created By: Johnson,Robert Clifton ☒ Completed
Primary Contact: Phone Number:

Fund Code	Account Name	Bank Name	Account Number	Exporter's EIN Number	Purpose of Account	Investment Type	Market Value at 6/30 CY	Reconciled Carry Value at 6/30
1 100	Test 4	PNC	7899	123121312	ESCHEAT	Other Pooled Investments	50000	500
Totals							50000	500

Save Save and Summarize Cancel

Return to Search

Investments (A-5) | Inv Sum (A-6)

UPDATED FORM A-6

Enter only Market Value and Reconciling Carrying Value for current and prior fiscal years

Do not Enter data for Interest Income Receivable

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Investments

Investments (A-5) | Inv Sum (A-6)

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015
Created By: Johnson,Robert Clifton ☒ Component Completed
Primary Contact: Phone Number:

GAAP Fund	Market Value at 6/30 CY	Market Value at 6/30 PY	Market Value Difference \$	Market Value Difference %	Interest Income Receivable at 6/30 CY	Interest Income Receivable at 6/30 PY	Interest Income Difference \$	Interest Income Difference %	Reconciled Carrying Value at 6/30 CY	Reconciled Carrying Value at 6/30 PY	Reconciled Carrying Value Difference \$	Reconciled Carrying Value Difference %
1 100	50000	126422973	-126372973	-100		68	-68	-100	50000	126422905	-126372905	
Totals	50000				0				50000			

Explanation:
Invest

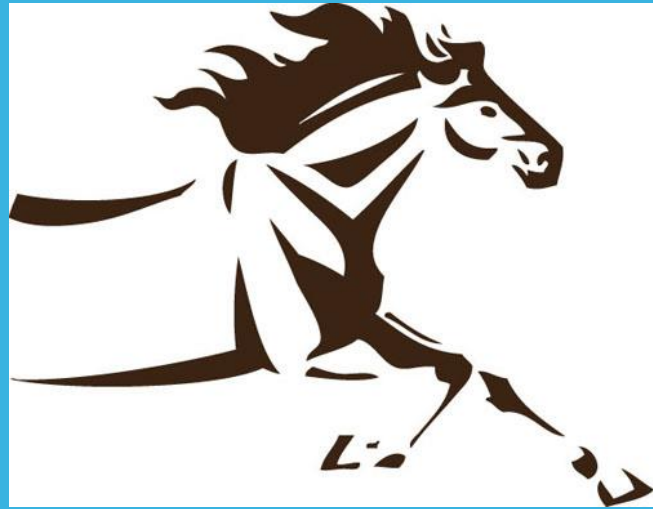
Complete Cancel

Return to Search Previous in List Next in List

Investments (A-5) | Inv Sum (A-6)

SECTION A

RISK CLASSIFICATIONS



RISK CLASSIFICATION

- This Section has been disabled.
- Organizations are no longer required to complete. DoA will complete the classification of the investments.

SECTION B - ACCOUNTS RECEIVABLE

Report Accounts Receivable, if the gross accounts receivable (in the aggregate) equals or exceeds \$100,000 or more at June 30 for all receivables outside of FSF other than receivables with other State Organizations.

Remember to report “Gross” Receivables.


Organizations should annually review their accounts receivable balances. If your allowances almost equals your receivable:

1. Review the age of the receivable
2. Determine the collectibility
3. Submit request to Secretary of Finance to remove the receivable

“Do not let this become an audit finding”.




SECTION C - ACCOUNTS PAYABLE

- Only payables reported for GAAP are those that will not be processed through FSF or if the payment for the goods or services is not expected to made within 60 days of year-end (by August 31) and includes:
 - All applicable PO and PV documents for vendor payables for goods or services received prior to June 30.
 - All contracts or documents that include retainage which has not been paid at June 30.
 - Amounts owed to employees for other salaries - overtime or termination pay only earned on or before June 30 and not scheduled to be paid in the subsequent fiscal year July paychecks.
 - School Districts & Colleges – Do not report the July and August salary liabilities for your 10 month / 26-pay employees if the amounts are processed through FSF.
 - Report the balances to the appropriate GAAP fund.
- 

SUPPLIES AND MATERIALS INVENTORY – SECTION D



SUPPLIES AND MATERIALS INVENTORY

- Only summary information needs to be entered into GMEN.
 - Every Organization should maintain the detail information available upon request at their respective site for review by DoA or the independent auditors.
- 

SECTION F

LEASE COMMITMENTS



LEASES

- Report leases, if the total annual lease costs for each lease is greater than or equal to \$25,000 at June 30. A lease with a partial year expense, which begins or ends in the current fiscal year, that had (or will have) an annual cost of \$25,000 or more must be reported.
- Leases do not have to be reported by fund – report each lease for the total amount regardless of the fund charged for the expense.
- Prepare lease expense schedules for each lease that exceeds the threshold with the following detail:
 - Lease expense incurred in the current fiscal year
 - Lease expense to be incurred in each of the next five fiscal years by amount per fiscal year
 - Lease expense to be incurred for each fiscal year beyond fiscal year five (fiscal year six to end of lease) and aggregate in 5 year increments

Note: Form DE Gaap Lse Sum Pg has been removed.

COMPENSATED ABSENCES – SECTION G



COMPENSATED ABSENCES

The GMEN module has been disabled.

- ▶ Form G-3,4 &5 – Compensated Absences (Excel Worksheets) or other comparable forms along with supporting documentation used to compile the information.
- ▶ *Submit on or before August 7, 2015*

PROJECTS - SECTION H

CONSTRUCTION WORK IN PROGRESS (CWIP) AND
CONSTRUCTION SOFTWARE IN PROCESS (CSIP)



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CONSTRUCTION WORK IN PROGRESS H-3A (CWIP) SECTION


Preparing the Form H-3A :

- Report the proper GAAP Fund for each project
- Report the project name (separate and identify by name, such as the building name, each project that will be capitalized as a separate asset)
- The beginning value of CWIP will be carried over from the prior year. Please note that this amount is the ending balance as reported in your prior year GAAP reporting package.(Verify with the prior year GMEN balance)

If the beginning value is incorrect, report the amount that is needed to correct the beginning value. Depending on whether the beginning value of CWIP needs to be increased or decreased, enter the amount as a positive or negative number.

CONSTRUCTION WORK IN PROGRESS H-3A (CWIP) SECTION

Updated the Explanation of Adjustments with a drop down box with selection values:

- PY Audit Adjustment,
 - DOA Review Adjustment,
 - PY Expenses Excluded in Error,
 - PY Ineligible Expense,
 - Other
- 

CONSTRUCTION SOFTWARE-IN-PROCESS

H-3B (CSIP) SECTION

Preparing the Form H-3B :

- Review all purchased or internally developed software to determine if computer software in process needs to be reported based on the completed cost of the asset and determine the appropriate GAAP fund
- Report the proper GAAP Fund for each project
- Report the project name (separate and identify by name, such as the building name, each project that will be capitalized as a separate asset)
- The beginning value of CSIP will be carried over from the prior year. Please note that this amount is the ending balance as reported in your prior year GAAP reporting package.(Verify with the prior year GMEN balance)

If the beginning value is incorrect, report the amount that is needed to correct the beginning value. Depending on whether the beginning value of CSIP needs to be increased or decreased, enter the amount as a positive or negative number.

COMPUTER SOFTWARE IN PROGRESS H-3B (CSIP) SECTION

Updated the Explanation of Adjustments with a drop down box with selection values:

- PY Audit Adjustment,
- DOA Review Adjustment,
- PY Expenses Excluded in Error,
- PY Ineligible Expense,
- Other

ACTIVITY SUMMARY A-12A

- Complete data entry for funds 100 through 845 activity (**If cash, investments and receivables have changed from the prior year, you must record the activity as noted below**).
- Prepare Form A-12A, by GAAP fund, by performing the following:
 - Report the revenues received from charges for services
 - Report the revenues received from grants
 - Report earnings from interest received from bank or investment accounts
 - Report the total expenditures (Disbursements) made during the fiscal year
- There should not be any activity processed through FSF reported in this section.

ACTIVITY SUMMARY A-12B

Complete data entry for Agency funds 855 through 890 activity.

There should not be any activity processed through FSF reported on this form.



ACTIVITY SUMMARY (A-12B)

Organizations should review columns for accuracy. Validate that:

■ Cash and Cash Equivalents	\$100,000
■ Investments	50,000
■ Accounts Receivable	<u>25,000</u>
■ Equal Accounts Payable in every column.	\$175,000

Amounts listed on Form A-5 (Investments) should equal investment total on Form A-12B for funds 855 through 890.

ACTIVITY SUMMARY (A-12B)

GMEN SCREEN

- Important Note:** If your beginning balance does not change during fiscal year, you must enter in “0” in the Total Additions and Total Deductions columns for the balances to roll forward in all applicable columns. (See investments below)

NOTE: This form summarizes the monies earned (revenues) and the monies spent (expenses) outside of FSF, by GAAP fund (for GAAP funds 855 through 890 only). In preparation of Form A-12B, ensure that you are taking the sum of the amounts for GAAP funds 855 through 890 only. In addition, do not report activity that has been processed through FSF. The form is not to be prepared on an individual GAAP fund basis.

Customize | Find | | First 1-6 of 6 Last

<u>Account Type</u>	<u>Beginning Balance (Balance at June 30, PY)</u>	<u>Total Additions</u>	<u>Total Deductions</u>	<u>Total Outstanding Balance</u>
Cash and Cash Equivalents	163296	495668	504967	153997
Investments	24000			
Accounts Receivable				
Accounts Receivable Due From Other State Agencies or Funds				
Accounts Payable	163297	495668	504969	153996
Accounts Payable Due to Other Agencies or Funds				

Save

Complete

Cancel

Return to Search

ACTIVITY SUMMARY (A-12B)


GMEN SCREEN

- Remember every column must balance:
- $\text{Cash} + \text{Investments} + \text{Accounts Receivable} = \text{Accounts Payable}$.

Customize | Find | | First 1-4 of 4 Last

<u>Account Type</u>	<u>Beginning Balance</u> <u>(Balance at June 30, PY)</u>	<u>Total Additions</u>	<u>Total Deductions</u>	<u>Total Outstanding</u> <u>Balance</u>
Cash and Cash Equivalents	156392	<input type="text" value="15000"/>	<input type="text" value="5000"/>	166392
Investments	24000	<input type="text"/>	<input type="text"/>	24000
Accounts Receivable		<input type="text"/>	<input type="text"/>	
Accounts Payable	180392	<input type="text" value="15000"/>	<input type="text" value="5000"/>	190392

FY14 AUDIT FINDING AND RECOMMENDATION SUMMARY

- Overstatement of receivables due to receivables not included in allowance computation.
 - Single Audit Findings
 - Overstatement of Expenses and understatement of accounts payable.
 - Segregation of duties/timeliness of Financial reporting recordkeeping and Reconciliation.
 - Missing Time and effort certifications and/or not dated properly
 - Missing documentation for sole source vendors
 - Inadequate supervisor review of financial grant reporting.
- 

REFRESHER POINTS

Complete only the required FY15 GAAP excel forms and submit only the required GAAP forms to DoA indicated on the GAAP Closing Schedule

Retain copies of your prior and current year GAAP reporting packages in your files



REFRESHER POINTS (CONTINUED)

There should be at least two roles in the GAAP/GMEN Reporting process. These roles consist of:

- Preparer
- Reviewer/Approver

GMEN User IDs will be activated on July 13th; they will not be activated by FSF Security prior to that.

- GMEN User Id is similar to FSF User Id, but contains GMEN at the end (i.e. FFMSRCJGMEN)
- Default Password will be the following:
DE\$MMDDXXXX MM=birth month DD=birth day XXXX= last four of social

IMPORTANT REFERENCE LINKS

**FY15 GAAP Reporting Manual, GAAP Presentations,
GAAP Excel Forms, and Pertinent Information:**

<http://accounting.delaware.gov/manuals.shtml>

FY15 GAAP UPK :

http://extranet.fsf.state.de.us/mod_gaap_gmen.shtml



QUESTIONS OR CONCERNS ???

For technical assistance and questions regarding GAAP forms, supporting documentation, and/or reporting deadlines

- Robert C. Johnson, State Accountant V 672-5511
- Christine Cosgrove, State Accountant IV 672-5519



EVALUATIONS

Please fax all evaluations to
Robert.cjohnson@state.de.us

Alternate #302-736-7928 ☺

